



News Release

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Washington, D.C.

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For Release: 2/6/02

Release No: IR-2002-15

NEW SCHEDULE D EASES TAXPAYER BURDENS

WASHINGTON – Schedule D, the form that millions of taxpayers use to calculate their capital gains and losses, has been redesigned for the 2002 tax-filing season. The goal of the revision, which cuts 14 lines from the schedule, is to reduce the difficulty that individuals face when filling out their return.

Schedule D, “Capital Gains and Losses,” is attached to Form 1040 and serves to calculate appropriate taxes and deductions on the sales, exchanges and other disposition of investment property. More than 21 million taxpayers filled out this schedule in 1999, the last year for which data is available.

“There have been many changes in this area of tax law in recent years,” said IRS Commissioner Charles O. Rossotti. “The change in Schedule D this year reflects our effort to minimize burdens on taxpayers wherever possible. Calculating capital gains and losses should not be a capital pain.”

The redesign of Schedule D adds four lines to enable taxpayers to take advantage of the new 8 percent rate on qualified capital gains. It also removes 18 other lines to ease the potential burden that comes from calculating unrecaptured Section 1250 gains (generally related to the sale of real property) and the class of capital gains subject to the 28 percent rate.

Less than one out of 20 taxpayers filling out Schedule D needed to provide these 18 lines of information. Those who do need to provide this will now use a separate worksheet included in the instructions for filling out Form 1040.

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